

**IN THE MATTER OF:**

**ADMINISTRATIVE  
PROCEEDING NO:  
S-04-0154**

## CONSENT AGREEMENT

This agreement is hereby entered into between the State of Mississippi, Secretary of State's Office, Business Regulation and Enforcement Division (hereinafter "Division"), by and through James O. Nelson, II, Assistant Secretary of State, and GERALD "DEENE" RODGERS (hereinafter "Respondent Rodgers"). The Division, having the power to administer and to provide for the enforcement of all provisions of the Mississippi Securities Act (hereinafter "Act"), and Respondent do hereby enter into this Consent Agreement in resolution of the following allegations by the Division of violations of certain provisions of the Act. The parties to this Consent Agreement hereby set forth the following facts.

1. Pursuant to Miss. Code Ann. §75-71-105(n), the definition of a “security” includes “any . . . certificate of interest or participation in any profit-sharing agreement, [or] investment contract . . . .” Because Respondent offered and sold to Mississippi

residents an investment contract or, in the alternative, a profit-sharing agreement, without registering said contract or agreement with the Division, Respondents are in violation of the Act.

2. Pursuant to Miss. Code Ann. §75-71-105(a), the definition of “agent” means any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities. Because Respondents offered and sold un-registered securities in the State of Mississippi, without being registered, said Respondents are in violation of the Act.

3. Pursuant to Miss. Code Ann. §75-71-105(b), “broker-dealer” means any person engaged in the business of affecting transactions in securities for the account of others or for his own account. Because Respondents offered and sold un-registered securities in the State of Mississippi, without being registered, said Respondents are in violation of the Act.

4. Pursuant to Miss. Code Ann. §75-71-501(2), it is unlawful for any person, in connection with the offer or sale of a security, to omit to state a material fact necessary in order to make statements made, in the light of the circumstances under which they were made, not misleading. Because Respondents failed to inform potential investors of the various enforcement proceedings to which International Tesla Electric Company, Advanced Hi-Tech, Inc., United Community Services of America, and Dennis Lee are parties, said Respondents are in violation of the Act.

NOW, THEREFORE, it is hereby agreed as follows:

5. Respondent Rodgers admits to the jurisdiction of the Division as to all matters herein.

6. Respondent Rodgers agrees to return any and all monies, including, but not limited to, any application fees collected from Mississippi residents as a result of Respondent Rodgers promising that consumers may never pay an energy bill again with “savings of \$2,000 to \$3,000 per year,” and promising investors that only attendance at a “National Demonstration” was required for the promised free electricity.
7. Respondent Rodgers agrees to return any and all monies, including, but not limited to, any application fees collected from Mississippi residents as a result of Respondent Rodgers offering Mississippi residents an opportunity to earn extra money by encouraging others to join the program with the chance to “earn \$10,000 a year for as long as we can sell the electricity.”
8. Respondent Rodgers agrees not to offer any program, product, or any other thing related to International Tesla Electric Company, Advanced Hi-Tech, Inc., United Community Services of America, Harold Bergen, and Dennis Lee in the State of Mississippi without first complying with the Act and the Rules promulgated thereunder.
9. This Consent Agreement contains the entire understanding between and among the parties and supersedes any prior understandings and agreements among them respecting the subject matter of this Consent Agreement. Furthermore, the parties herein represent that they have read each provision, understand each provision, and agree to each provision herein.

## **II. Other Considerations**

10. Respondent Rodgers recognizes, acknowledges, and stipulates that a willful failure to comply with any of the terms, conditions or obligations of this Agreement will



result in Respondent Rodgers being deemed to be in violation of a lawful order made pursuant to the Act and, therefore, subject to the penalties available under the Act.

11. Respondent Rodgers is aware of its right to a hearing on this matter at which it may be represented by counsel, present evidence and cross-examine witnesses.

Respondent Rodgers hereby irrevocably waives the right to such a hearing.

12. Respondent Rodgers understands that the entry of this Consent Agreement represents the settlement of regulatory claims by the Division against the Respondent Rodgers only and does not, in any way, restrict or affect the rights or causes of action, if any, of any Offerees who have purchased an investment from Respondent Rodgers.

13. It is understood and agreed that the Division retains all rights pertaining thereto. The Division specifically retains all rights to take such other and further action that it may deem necessary due to the discovery of additional violations of the Act by Respondent Rodgers.

14. This Consent Agreement is in resolution of the matters contained in Section I. Thus, any matters in Section I or any violations discovered by the Division up to the signing of this agreement will not be used as a basis for action by the Division against Respondent Rodgers unless (i) Respondent Rodgers fails to comply with any of the terms of this Consent Agreement or (ii) the Division discovers that Respondent Rodgers has not been truthful or has otherwise misled the Division in the course of this investigation.

15. In the event Respondent Rodgers, his employees or agents, fail to comply with any of the agreements, stipulations or undertakings set forth herein, the Division may determine to issue a Summary Cease and Desist Order and Notice of Intent to Impose Administrative Penalty, a Notice of Intent to Revoke Registration and Impose

Administrative Penalty, and/or any additional order imposing any such penalties against Respondent Rodgers as the Division deems appropriate and within its lawful authority codified in the Act.

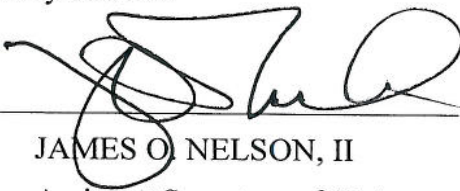
16. Respondent Rodgers agrees that the costs to be imposed herein shall be considered non-dischargeable for the purposes of any bankruptcy proceeding filed by Respondent Rodgers.

### III. Acknowledgement

17. The parties acknowledge that they have read this Consent Agreement in its entirety and fully understand the rights, terms, and obligations of each contained therein, and they have been vested with the express authority to enter into this agreement. The parties further acknowledge that they have not been threatened or otherwise coerced into entering this Consent Agreement.

18. The undersigned hereby acknowledge and agree to the terms and conditions of the foregoing Agreement by written consent.

ERIC CLARK  
Secretary of State

By:   
JAMES O. NELSON, II  
Assistant Secretary of State

Date: 7/11/05

GERALD "DEENE" RODGERS

Sign Name: Gerald Deene Rodgers Date: 6-29-05

Print Name: Gerald Deene Rodgers